

Message Text

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SUBJECT: GOA INVESTMENT PROGRAM AND ERP FUNDS

FOR EUR/CE FLATIN

1. FOLLOWING IS INFORMAL TRANSLATION OF ARTICLE WHICH
APPEARED IN DIE PRESSE, APRIL 16:

(QUOTE)

SPEEDY UTILIZATION OF ERP FUNDS

FINANCE MINISTER ANDROSCH POINTED OUT ON TUESDAY
AFTER THE CABINET MEETING THAT THE INVESTMENT PROGRAM
PRESENTED BY THE GOVERNMENT MAY VERY WELL RESULT IN
STRONG IMPULSES FOR THE ECONOMY. OF THE AS 2.2
BILLION RELEASE OF THE STABILIZATION QUOTE, AS 1.2
BILLION ARE FOR THE IMMEDIATE CONSTRUCTION
PROGRAM, AND THE UNBLOCKING OF 50 PERCENT OF THE
FORZEN BUDGETARY FUNDS WILL BECOME FULLY EFFECTIVE
SINCE NO PREFINANCING WAS MADE. STATE SECRETARY
VESELSKY DECLARED THAT BEGINNING MAY 1 NEW ERP LOAN
APPLICATIONS MAY BE FILED AT THE BANKS; THE AUSTRIAN
NATIONAL BANK WILL SPEED UP ROCESSING.

(QUOTE) THE UTILIZATION OF ERP FUNDS IS STILL UNCLEAR
IN SOME RESPECTS. THUS THE QUESTION OF A NON-REPAYABLE
INTEREST SUPPORT FROM ERP FUNDS IN AMOUNT OF AS 50
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MILLION IS ENTIRELY OPEN. ON THE OCCASION OF HIS VISIT

TO THE UNITED STATES, FEDERAL CHANCELLOR WILL NEGOTIATE WITH THE AMERICAN ERP PARTNERS; HOWEVER, EXPERTS ARE RATHER OF THE OPINION THAT KREISKY WILL HAVE NO SUCCESS. THE CRITERIA FOR THE USE OF ERP FUNDS DO NOT PROVIDE FOR ANY NON-REPAYABLE GRANTS. EXPERTS BELIEVE, THEREFORE, THAT A CHANGE WOULD BE POSSIBLE ONLY IF THE ERP CRITERIA WERE AMENDED. FURTHERMORE, SUCH A PROCEDURE WOULD CONSTITUTE A PRECEDENT THAT WOULD HAVE REPERCUSSIONS ON WEST GERMANY WHICH ALSO HAS ERP FUNDS.

(QUOTE) UNCLEAR AT THIS POINT IS ALSO THE QUESTION WHETHER THE RELEASE OF A TOTAL OF AS 5 BILLION -- BANK LOANS BLENDED WITH REP FUNDS -- SHALL BE MADE IN ACCORDANCE WITH THE ERP CRITERIA. IN THAT CASE, ONLY FINANCING OF PRODUCTION PROJECTS WOULD BE POSSIBLE. THE ECONOMIC (READ INDUSTRY) SIDE, HOWEVER, WOULD LIKE TO SEE MERGERS FINANCED AS WELL. ON TUESDAY EXPERTS FROM THE CREDIT SECTOR TRIED TO CLEAR UP DETAILS OF THE TECHNICAL PROCEDURE.

(QUOTE) STATE SECRETARY VESELSKY DECLARED THAT THE ERP COMMISSION COULD MEET EVERY WEEK IF NECESSARY. THE ASSOCIATION OF AUSTRIAN INDUSTRIALISTS UNDERLINED IN A PRESS RELEASE THAT THE EFFECTIVENESS OF MEASURES TO BE TAKEN WILL, TO A LARGE DEGREE, DEPEND ON THE FRAMEWORK OF TECHNICAL AND ADMINISTRATIVE PROVISIONS APPLIED. ELEVEN LARGE INDUSTRIAL LOANS TALLING AS 200 MILLION HAVE ALREADY BEEN APPROVED UNDER THE ERP SPECIAL PROGRAM (PRIORITIES STYRIA, LOWER AUSTRIA AND CARINTHIA).

(QUOTE) FINANCE MINISTER ANDROSCH EXPLAINED TO DIE PRESSE THAT COMPLETE UNBLOCKING OF FROZEN BUDGET FUNDS IS NOT CONTEMPLATED AT PRESENT. THERE ARE NOW SUFFICIENT MEANS AVAILABLE FOR THE CONSTRUCTION INDUSTRY; ANDROSCH IS OF THE OPINION THAT THE AUSTRIAN CONSTRUCTION INDUSTRY, CONTRARY TO WEST GERMANY AND SWITZERLAND, HAS NOT GROWN EXCESSIVELY. THE STRUCTURAL IMPROVEMENT LAW WILL BE EXTENDED FOR A TWO-YEAR PERIOD, EXCLUDING PARAGRAPH 2 (CHANGE OF CAPITAL HOLDINGS TO PERSONAL HOLDINGS), THE UNCLASSIFIED

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MINISTER STRESSED.
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